

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-42-E - ORDER NO. 2018-312

APRIL 30, 2018

IN RE: South Carolina Electric & Gas Company's) ORDER APPROVING
2018 Annual Update on Demand Side) RATE RIDER CHANGE
Management Programs and Petition for an) AND ADDRESSING
Update to Rate Rider) CERTAIN DEMAND SIDE
) MANAGEMENT
) PROGRAMS

I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (“Commission”) for consideration of a Petition to Update South Carolina Electric & Gas Company’s (“SCE&G’s” or “the Company’s”) Demand Side Management (“DSM”) Rate Rider and for consideration of the Company’s 2018 Annual Update on Demand Side Management Programs. After due and proper Notice, Petitions to Intervene were filed by the South Carolina Coastal Conservation League and the Southern Alliance for Clean Energy (together, “the Environmental Intervenors”), and Wal-Mart Stores East, LP and Sam's East, Inc. (“Wal-Mart”). The Office of Regulatory Staff (“ORS”) is a party to this matter as stated by S.C. Code Ann. § 58-4-10(B) (2017). Opportunity to comment on the Company’s Petition was given to all parties. The ORS, Wal-Mart, and the Environmental Intervenors filed comments.

This matter is before the Commission pursuant to S.C. Code Ann. § 58-37-20 (2017) and Order No. 2010-472, as affirmed and modified by Order No. 2013-826. In

Order No. 2010-472, as affirmed and modified by Order No. 2013-826, the Commission approved SCE&G's suite of DSM programs and authorized the Company to continue its DSM Rate Rider. In accordance with § 58-37-20 and as described more fully below, the DSM Rate Rider is designed to allow SCE&G to recover the costs and net lost revenues associated with its DSM programs, along with a shared savings incentive equal to six percent (6%) of the net benefits derived from the Company's DSM programs. In Order No. 2013-826, the Commission also ordered SCE&G to continue its practice established under Order No. 2010-472, of submitting an annual filing with the Commission updating the Company's DSM Rate Rider each January through the life of the DSM programs. In accordance with Order No. 2010-472, as affirmed and modified by Order No. 2013-826, the annual filing must set forth the programs, net lost revenues, program costs, shared savings incentive, net program benefits, and other items as appropriate. Moreover, the annual filing must encompass the twelve-month period beginning December 1 and ending November 30.

For this annual filing, the prior review period is December 1, 2015, to November 30, 2016 ("Program Year 6"); the current review period is December 1, 2016, to November 30, 2017 ("Program Year 7"); and the forecasted period is December 1, 2017, to November 30, 2018 ("Program Year 8").

The Company and ORS exchanged a series of documents regarding this case, and ultimately agreed on the matters described below.

II. RATE RIDER

With regard to the Rate Rider, both SCE&G and the Office of Regulatory Staff assert that the Company is entitled to recover in this proceeding \$13,278,690 as an amortization of Program Costs, \$17,919,053 for Net Lost Revenues, and \$1,795,796 as an amortization of the Shared Savings Incentive, for a total requested recovery of \$32,993,539. ORS found that the updated Rate Rider was developed in accordance with the terms and conditions set forth in Commission Order Nos. 2010-472 and 2013-826.

In summary, ORS and SCE&G are in agreement as to the amounts listed above for recovery. In order to recover these amounts, the parties propose that we approve the following DSM Rate Rider figures: 0.221 cents/kWh for residential customers, 0.259 cents/kWh for small general service customers, 0.182 cents/kWh for medium general service customers, and 0.095 cents/kWh for large general service customers, effective for bills rendered on and after the first billing cycle in May 2018. We approve these DSM Rate Rider figures and the effective date, since we hold that they were developed in accordance with the terms and conditions set forth in Commission Order Nos. 2010-472 and 2013-826. We would note that the DSM Rate Rider for a residential customer will decrease from \$0.00276 to \$0.00221 per kilowatt-hour. As a result, the Company and ORS estimate that the DSM Rate Rider will cause the bill of an average residential customer using 1,000 kilowatt-hours per month to decrease approximately \$0.55. SCE&G shall file with the Commission the amended Rate Rider with rates approved by this Order within ten (10) days of receipt of this Order, and also serve copies on the parties.

III. DSM PROGRAMS

With regard to the actual DSM Programs, the Company currently offers eight (8) DSM programs. ORS found that during Program Year 7, all but one of the Company's DSM programs experienced increased participation, resulting in significantly increased energy savings. Participation increased significantly in the ENERGY STAR Lighting Program, the Appliance Recycling Program, and the low-income Neighborhood Energy Efficiency Program, according to ORS.

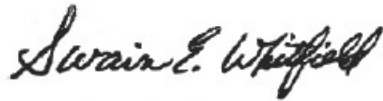
IV. COLLABORATION WITH INTERVENORS

Finally, we note that Wal-Mart, as well as the Environmental Intervenors, filed comments on the Company's current DSM programs and Rider Petition.

Once again, the Company must continue to consider the recommendations of the Environmental Intervenors in this Docket if they are cost-effective, and the procedure described by Wal-Mart, if appropriate, as it considers further modifications to its programs in the future. Further, to the extent that the information is not competitively sensitive, this Commission encourages the Company to continue to engage in a collaborative approach to discussion of program process and impact evaluations in upcoming DSM Advisory Group meetings.

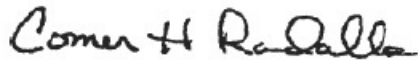
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Swain E. Whitfield, Chairman

ATTEST:



Comer H. Randall, Vice Chairman